

North Florida District News

America's Small Business Resource

U.S. Small Business Administration
North Florida District Office

7825 Baymeadows Way; Suite 100B
Jacksonville, FL 32256
(904) 443-1900
(904) 443-1980
<http://www.sba.gov/fl/north/>
lola.kress@sba.gov

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For More Information: SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam. For the office nearest you, look under "U.S. Government" in your telephone directory, or call the SBA Answer Desk.

SBA Answer Desk:
1-800 U ASK SBA

Fax: 202-205-7064

E-mail: answerdesk@sba.gov

TDD: 704-344-6640

Your rights to regulatory fairness:
1-800-REG-FAIR

SBA Home Page: www.sba.gov

All of the SBA's programs and services are provided to the public on a nondiscriminatory basis.

How Many Small Businesses Are there???

In 2003, there were approximately 23.7 million businesses in the United States according to SBA's Office of Advocacy estimates. The Internal Revenue Service (IRS) estimates there were 27 million non-farm business tax returns in 2003; however, this number may overestimate the number of firms, as one business can operate more than one taxable entity. IRS estimates the number of sole proprietorships (roughly equal to non-employers) increased 2.4 percent in 2002 and is expected to increase 1.9 percent in 2003. Census data show there were 5.7 million firms with employees and 17.0 million without employees in 2001. Applying the sole proprietorship growth rates to the non-employer figures and similar Department of Labor growth rates to the employer figures produces the 23.7million figure. Small firms with less than 500 employees represent 99.7 percent of the 23.7 million businesses. For more information, please visit the SBA's Office of Advocacy's website at: <http://www.sba.gov/advo/>.

SAVE THE DATE!

WHAT: Business Matchmaking
WHERE: University Center, University of North Florida
WHEN: Tuesday, September 14th from Noon until 7:00 pm

Come and participate in the First MED Week Matchmaker Event plus a reception to follow to further your networking and contracting opportunities!

MORE INFORMATION TO COME SOON!

Since 1983, the U.S. President has proclaimed a National MED Week observance to recognize the outstanding achievements of MBEs and to honor those corporations and financial institutions that support minority business development. MED Week in Jacksonville will be a full week of opportunity for businesses to network and celebrate Minority Business Enterprises.

Message from District Director . . .

Wilfredo J. Gonzalez



The Disney/SBA National Entrepreneur Center (NEC) in Orlando celebrated their First Year Anniversary with a luncheon on July 1, 2004. Over 60 people came together to mark this significant event, including representatives from each of the 10 on-site Service Providers and from each of the four major NEC sponsors (DisneyWorld, SBA, Orange County, and the University of Central Florida).

The NEC Executive Board Chairman, George Rodon (Orange County Director for Economic Development), welcomed and congratulated everyone on a successful first year. Mr. Rodon introduced Orange County Chairman Richard Crotty who highlighted the importance of the NEC for Central Florida economic development and pledged continued support of the center. NEC Director and SBA employee Debbie Brown thanked everyone for their hard

work and support throughout the first year. She shared NEC first year activity numbers -- NEC Service Providers counseled and trained more than 11,500 clients; made over 72,000 contacts; facilitated the origination of over 180 loans; created and retained approximately 1,700 jobs; and facilitated over 120 new business starts.

The NEC is a community partnership dedicated to the support and success of entrepreneurs. The NEC brings together a network of Service Providers and other resources to offer entrepreneurs a one-stop shop for small business services including counseling, training, financial assistance, and a resource library.

The NEC is looking forward to the successes and challenges in the coming year. To learn more about the NEC, go to www.floridanec.org. And if you visit Orlando, add the Disney/SBA National Entrepreneur Center to your list of must-see places!



Pictured Above: Orange County Chairman Crotty announcing the First Anniversary of the Disney/SBA NEC.

A Message from the SBA Region IV Regional Administrator, Nuby Fowler:

Making SBA Strong for Future Generations

One of SBA's greatest strengths is its capacity to change with the times. Since President Eisenhower signed the 1952 Small Business Act into law, thereby creating SBA, the agency has invested considerable time and resources to keeping its programs current with the changing needs of small business. We have only to look at how the flagship 7(a) loan guarantee program has developed over the past decade to prove the point.

From the days when direct lending gave way to federally guaranteed loans as the major source of SBA backed capital, the program has been in evolution. Guarantee percentages, loan sizes maximums, and fees have all been adjusted and readjusted over time as the President and Congress work to refine and strengthen the program. It has been an unfortunate truth, however, that because 7(a) is subject to the annual appropriations process, its stability and reliability have been adversely impacted by changing policy and budget priorities. The resulting program shifts have far too often created problems for both our lending partners and the small businesses we serve.

The unprecedented growth in SBA guaranteed lending since 2001 points to the program's increasing popularity among small businesses and confirms the Agency's role in job creation and growing the national economy. Year to year uncertainties about funding levels, however, are not healthy for either SBA's strategic partnerships or for the public that looks to SBA as a central resource for small business services.

The President's 2005 budget proposal includes a simple and practical solution that will give 7(a) the stability it needs to provide small businesses with a reliable source of capital for years to come, while protecting the current 75 percent guarantee rate and without raising fees above the level they were from 1995 until 2001. For most borrowers, this means a change of less than \$10 in their monthly payment.

Further, the plan will give the 7(a) loan program \$12.5 billion in lending authority. As the single largest source of small business financing in America, the 7(a) program is too important to be subjected to loan size caps and program shutdowns year after year. The President's proposal will help to create a stable, strong 7(a) – something I think all of America's 25 million small business owners, as well as SBA's many lending and technical assistance partners, will applaud.





WOMEN'S BUSINESS ROUNDTABLE

DATE AND TIME: *Thursday, September 23, 2004, 11:45 AM to 2:00 PM*

LOCATION: *U.S. Small Business Administration District Office (SBA)
7825 Baymeadows Way, Suite 100B, Jacksonville, FL 32256.
From Phillips Highway, turn onto Baycenter (going East)
and go two blocks. Cross over Baymeadows Way into the parking lot.*

- DISCUSSION WILL FOCUS ON THE SBA 504 CDC LOAN (FOR PURCHASING FIXED ASSETS) AND THE 8(A) BUSINESS DEVELOPMENT PROGRAM AND CERTIFICATION.
- THE EVENT IS FREE. BEVERAGES AND DESSERT PROVIDED. BRING A BROWN BAG LUNCH IF YOU LIKE.

PLEASE RSVP TO DONNA PADGUG AT donna.padgug@sba.gov OR (904) 443-1971.

**Contact YOUR Local
SCORE Office! SCORE
offers FREE small busi-
ness counseling, work-
shops, and much more
to help you start or
grow your own small
business!! Please visit
www.SCORE.org**

District Manager

921 North Nova Road, Suite A
Holly Hill, FL 32117
Office 386/255-6889
Fax: 386/255-0229

JACKSONVILLE #86

7825 Baymeadows Way, 100B
Jacksonville, FL 32256
Office: 904/443-1900
Fax: 904/443-1980
Email: counselor@scorejax.org
Web: www.scorejax.org

VOLUSIA/FLAGLER #87

921 North Nova Road, Suite A
Holly Hill, FL 32117
Office 386/255-6889
Fax: 386/255-0229
Email: score87@earthlink.net

ORLANDO #138

National Entrepreneur Center
Landmark One Building
315 East Robinson Street; Suite 100
Orlando, FL 32801
Office: 407/420-4844
Fax: 407-420-4845
Email: score@floridanec.org
Web: www.orlandoscore.org

GAINESVILLE #408

101 Southeast 2nd Place, Ste 104
Gainesville, FL 32601
Office: 352/375-8278
Fax: 352/375-5340 (on call)
Email: score@fdt.net
Web: www.score408.org

LAKE SUMTER #414

9501 US Highway 441
Leesburg, FL 34788
Office: 352/435-5031
Fax: 352/323-3624
Email: score414@lscc.cc.fl.us
Web: www.score414.com

OCALA #440

110 E. Silver Springs Blvd
Ocala, FL 34470
Office: 352/629-5959
Fax: 352/624-2149
Email: scoreocala@earthlink.net

CITRUS COUNTY #646

3810 S. Lecanto Highway
Building P1-101
Lecanto, FL 34461
Office: 352/621-0775
Fax: 413/683-7351
Email: score@cfcc.cc.fl.us
Web:

BAY COUNTY SCORE #652

c/o SBDC
2500 Minnesota Avenue
Lynn Haven, FL 32444
Office: 850/271-1108
Fax: 850/271-1109
Email: bayscore@knology.net
Web: www.nfci.org/score.htm

PASCO-HERNANDO CO SCORE # 439

6014 US Highway 19, Suite 302
New Port Richey, FL 34652
Office: 727/842-4638
Fax: 727/841-7266
Email: Score439@ij.net
Web: www.mytownads.com/score439

SUWANNEE VALLEY SCORE

840 SW Main Blvd.
Lake City, FL 32025
Office: 386/758-0433
Email: 1SCORE@flcrown.org

8(A) NEWS

U.S. Small Business Administration



NEWS RELEASE

Federal Government Revises Small Business Contracting Numbers Upward

WASHINGTON – The U.S. Small Business Administration announced today that the federal government was making a \$3 billion upward revision to the total number of prime contract dollars awarded to small businesses in the 2003 fiscal year. The new total of \$65.5 billion represents a 23 percent jump over fiscal year 2002 and sets a new record for small business prime contracting.

The revised number also confirms that the federal government exceeded its own statutory requirements for small business contracting in 2003. The \$65.5 billion that was awarded to small businesses in 2003 represents 23.6 percent of the total number of prime contract dollars awarded by the federal government.

“The prime contracting totals that the federal government is announcing today represent a victory for America’s small business owners,” SBA Government Contracting Senior Adviser Emily Murphy said. “Not only did the government meet its own stringent statutory goals, but it broke records by awarding more contracting dollars to America’s small businesses than ever before. President Bush has made a commitment to America’s small business owners, and this record \$65.5 billion sends a message that he is keeping that commitment.”

For more information about all of the SBA’s programs for small businesses, visit the SBA’s extensive Web site at www.sba.gov.



**In FY 2003, Over 7,500 8(a) Certified Firms
contracted over \$10,105,342,982 with the
Federal Government. Congratulations!!**

Ron Ammerman stands in front of the Bay County Small Business Incubator before he discusses the SBA’s HubZone Program with several specialists from across North Florida.



Unique SCORE Volunteer Perspectives Yield Big Gains for Client

In just a couple of hours with SCORE volunteers Ken Peach and Louis Kickhofel, Derek Francis helped set his company on a new course that yielded new key clients and 100%-per-month revenue growth.

Derek Francis is a young entrepreneurial spirit with a technology sales background who joined Helium Flash, a high-tech communications specialty company, in 2003 as Manager of Business Development. While Helium Flash had customers and revenue, the partners felt their business was starting to stagnate. Revenue was flat, and there was a decided lack of new customers. In his search for a business solution to this challenge, Derek came upon an ad for SCORE in the Orlando Sentinel.

With one call, Derek was matched with two SCORE volunteers, each with expertise in an area of special interest to the Helium Flash organization.

Volunteer number one was Louis Kickhofel, a veteran business owner who has become intensely committed to personal and professional growth. In a world business climate that lauds the bottom line, Louis seeks balance. "Professional success can be a very empty phenomenon without key elements of continuing personal growth." After talking with Derek and CEO Tristan Chitty for a short time, he realized that Helium Flash had partnership issues that needed to be addressed before they could move forward into the marketing arena. Their perspective was very micro. They were mired in day-to-day issues, and they needed to step back and look at the big picture. "They had to focus more on their vision, and they lacked a head and heart balance. They needed to identify steps they could take in the immediate future and the months to come to get their business moving." Armed with financial and operating advice, and better equipped to manage their business, Helium Flash was ready to meet with SCORE volunteer number two.

Ken Peach is Director of Product Line Marketing for Orlando Regional Healthcare's Marketing Department. With a degree in communications and 15 years of experience building, managing and owning an AM radio station in Clermont, Ken Peach brings to SCORE his own perspective on marketing issues, a perspective that merges product, price, place and promotion. "I like to focus on four factors: the core product/service, its attributes, additional benefits of the product, and those attributes that potentially differentiate it from competing products. In my opinion, it's important to differentiate what you do and create a unique customer experience." Within an hour of meeting Derek and Tristan, Ken Peach worked with them to develop a tickler sheet that helped Helium Flash ask the right questions about their product and its attributes. By the time they were finished, Derek and Tristan had a firm focus on their strategic advantages and were ready to emphasize them.

The next step? The SCORE volunteers recommended an advisory board for Helium Flash, so Derek and Tristan have now turned to the Small Business Administration for help in that area.

Just an hour out of each SCORE volunteer's busy schedule, and Helium Flash has achieved a broad business vision, a finely honed strategic focus, and real business growth. You just can't buy that kind of counsel.



Helium Flash guides clients through the confusing array of available web technologies, and delivers efficient and cost-effective solutions to help customers achieve their objectives. Clients include city and county governments' eGovernment Portals, private companies, marketing agencies, and retailers and distributors. Helium Flash offers a complete suite of products and services combined with continual support. www.heliumflash.com.

SCORE, Counselors to America's Small Business, helps emerging businesses succeed and stay active in the local and national small business marketplace. SCORE is a non-profit, charitable organization composed of 11,500 volunteer business mentors, both working and retired, who counsel businesses from nearly 400 counseling offices through the country. SCORE is a resource partner with the U.S. Small Business Administration (SBA) that provides business owners with information, resources and tools vital to their success. This includes counseling on financing options, business strategy, marketing tactics, product development, cash flow, management and much more. www.score.org.

Pictured above: (from left to right) Derek Francis, Ken Peach, Tristan Chitty, and Louis Kickhofel.

FSBDC Network Serves as Statewide Technical Assistance Agent for the Business Loan Center—Expanding Avenues for Small Business Funding in Florida

Pensacola, FL: The Florida Small Business Development Center Network (FSBDCN) now serves as a statewide, certified technical assistance agent for the Business Loan Center (BLC), LLC of New York, NY, with local offices in Panama City. An agreement just signed recognizes the expertise of FSBDCN Certified Business Analysts and establishes their authority to assist Florida small businesses to qualify for an Express Loan. The stage of the client's business development is not a concern. The agreement authorizes their service as the technical assistant for the BLC.

Under the SBA Express Loan Program Guide, the BLC can now refer clients to any of the Florida SBDC centers, and their staff can offer technical assistance to help them qualify for funds from the Community Express Loan Program.

The University of West Florida is the home of the state office for the Florida SBDC program. The UWF Provost, on behalf of the Board of Trustees, FSBDCN State Director Jerry Cartwright and the BLC representative, Fred Crispen, formally signed a Memorandum of Understanding—an agreement to operate as specified by the SBA and BLC—in support of the BLC and Florida small businesses. The agreement/partnership between the BLC, SBA and the Florida SBDC Network expands an exciting avenue for small business funding in Florida. For more information, please contact the Florida SBDC Network at (850) 473-7813 or www.floridasbdc.com.

SBA Success Story

Your Favorite Furniture and Electronics Store in One Location- Z-Best!

Palm Coast, FL- Jan Arnett has been in the Rent to Own Industry since 1979. He worked on the business plan for his own business for 14 years while traveling state to state with different rent to own companies. Finally, in 1994, Jan Arnett decided to move forward with his detailed business plan and open his own store. He approached lenders in six counties and couldn't find financing due to a lack of equity.

Jan had put all his money into attempting to open his own rent to own business; his wife worked at Shoney's and the family used all of their savings and capital. While working elsewhere to keep a roof over his family's head, Jan Arnett found a financial partner that made Z-Best Rental Purchase come to life. Along with his additional financing, Jan approached Fred Bower, Vice President of Liberty National Bank in search of financing to start his own rent to own company. This is where the Z-Best Rental Purchase success story begins.

In 1995, due to the additional funds from his partner and an U.S. Small Business Administration (SBA)-backed 7(a) loan, Jan and Sherry Arnett opened their first Z-Best Rental Purchase store in St. Augustine, FL. The Arnett's were able to pay off their first loan in two years and then bought out their financial partner. After a great deal of success, in 1998, they opened a second Z-Best Rental Purchase store in Orange Park, FL. In February of 2002, with the assistance of Fred Bower and an additional SBA 7(a) Loan in 2001, Jan and Sherry Arnett opened the 8,000 square foot Z-Best Rental Purchase Superstore in Palm Coast, FL. The store is complete with corporate offices, training facilities and a warehouse. The Arnett's started with a staff of two and now employ 40 people.

The Arnett's are anticipating further financing with Liberty National Bank, and an SBA guaranty to build a 15,000 square foot Super Z-Best Plaza in St. Augustine to open between October and November of 2004. This super store will be the biggest rent to own store in the United States. Due to Jan Arnett's dream of being a successful rent to own business owner, Fred Bower's assistance and the SBA's 7(a) Loan Program, the Arnett's have only begun building their success.

The SBA's 7(a) Loan Guaranty Program is one of SBA's primary lending programs. It provides loans to small businesses unable to secure financing on reasonable terms through normal lending channels. The program operates through lenders that provide loans which are guaranteed by the SBA. The SBA does not have funds for direct lending or grants. A maximum loan amount of \$750,000 thousand has been established for 7(a) loans. Small loans carry a maximum guaranty of 85 percent. Loans are considered small if the gross loan amount is \$150,000 or less. For loans greater than \$150,000, the maximum guaranty is 75 percent. For more information on the 7(a) Guaranty Program or for other SBA loan programs, please visit <http://www.sba.gov/financing/>.

Jan and Sherry Arnett of Z-Best Rental Purchase may be contacted at 4878 Palm Coast Pkwy NW, Palm Coast, FL 32137, (386) 447-6568 www.zbestrental.com.



Lender News



To receive monthly North Florida District Office Loan Reports and/or 504 Loan Reports, please e-mail lola.kress@sba.gov with your current contact information and desired reports and you will receive the data monthly via e-mail. Thanks!

LATEST SBA NOTICES

SBA Information Notice #5000-922 -- Assigning Appropriate Maturities for 7(a) Loans Based on the Use of Proceeds. The purpose of this notice is to remind lenders that the use of proceeds determines the appropriate maturity for a SBA Guaranteed Loan. For complete details, visit our website at: <http://www.sba.gov/banking/indexnoticesfy04.html>

SBA Information Notice #5000-923 -- Reminder to Cancel Undisbursed Loans. The purpose of this notice is remind lenders of the procedures for canceling loans that the lenders have determined will not be disbursed. For complete details, visit our website at: <http://www.sba.gov/banking/indexnoticesfy04.html>

LENDERS' TRAINING

- The North Florida District Office will be conducting "free" training at its office in Jacksonville on August 25, 2004, for **Lenders Only** on **SBAEXPRESS**, the fastest growing program for SBA nationwide and North Florida. The time for the class is 9:30 am until 11:30 am. Register on line at: <http://www.sba.gov/fl/north>.
- The North Florida District office will be conducting "free" training for **Lenders Only** at the University of West Florida's Fort Walton Beach Campus on September 8th from 9:00 am to 3:30 pm. For reservations and/or information, please e-mail Rosalind.bryant@sba.gov.
- The North Florida District office will be conducting "free" training for **Lenders Only** at its office on September 14th and 15th, 2004. Training encompasses regular 7(a), LowDoc, **SBAExpress** and 504 loan programs. It includes a full day class on loan processing policies and procedures and a half day of loan closing, servicing and liquidation. Time for classes is 8:30am until 4:00pm. To register, contact Rosalind Bryant by e-mail at: rosalind.bryant@sba.gov.

The National Lender Guide is now available on SBA's website at www.sba.gov/banking. The guide covers loan processing, closing, servicing, liquidation/Litigation, Guaranty Purchases and Lender Oversight.

SBA NORTH FLORIDA DISTRICT OFFICE
504 Loan Approvals by Number of Loans Made for FY 2004,
As of July 31, 2004

Lender	No. of Loans	1st Mtg. \$ Amount	504 \$ Amount	Total
FLORIDA FIRST CAPITAL FINANCE CORP, INC.	61	\$33,895,203	\$24,720,000	\$58,615,203
FLORIDA BUSINESS DEVELOPMENT CORP.	39	\$22,980,547	\$16,516,000	\$39,496,547
JACKSONVILLE ECON. DVPMT COMPANY, INC.	31	\$9,603,990	\$7,470,000	\$17,073,990
BUSINESS DEVELOPMENT CORP. OF NE FLORIDA	14	\$8,919,250	\$5,894,000	\$14,813,250
GULFCOAST BUSINESS FINANCE, INC.	2	\$789,500	\$631,000	\$1,420,500
TOTAL	147	\$76,188,490	\$55,231,000	\$131,419,490

FY 2004 LOAN GOALS
PERCENT OF GOAL ACHIEVED FOR NORTH FLORIDA
through July 31 2004

LOAN GOAL CATEGORY	FY 04 GOAL	FY 2004 ACTUAL	
		#	%
7(a)	1,520	1012	67%
504	114	147	129%
MICROLOANS	38	27	71%
VETERAN	149	120	81%
INTERNATIONAL TRADE	19	19	100%

SBA North Florida District Office Loans By County as of July 31, 2004

County	Number of Loans	Dollar Amount
ALACHUA	32	\$4,780,500
BAKER	4	\$1,128,000
BAY	22	\$5,493,800
BRADFORD	2	\$222,400
CALHOUN	1	\$18,000
CITRUS	12	\$943,400
CLAY	22	\$4,862,800
COLUMBIA	11	\$2,454,500
DUVAL	193	\$32,310,453
ESCAMBIA	45	\$11,839,100
FLAGLER	22	\$2,057,200
FRANKLIN	1	\$15,000
GADSDEN	3	\$532,000
HAMILTON	1	\$140,000
HERNANDO	25	\$3,374,800
HOLMES	1	\$50,000
JACKSON	3	\$1,021,000
LAKE	37	\$5,563,900
LEON	33	\$6,461,000
LEVY	5	\$856,000
MARION	19	\$4,135,000
NASSAU	30	\$8,799,400
OKALOOSA	17	\$4,088,900
ORANGE	356	\$66,180,350
PUTNAM	6	\$745,000
SANTA ROSA	14	\$4,867,700
SEMINOLE	114	\$19,372,100
ST. JOHNS	44	\$11,054,000
SUMTER	4	\$1,396,000
SUWANNEE	4	\$363,000
TAYLOR	3	\$715,600
VOLUSIA	64	\$10,307,700
WAKULLA	1	\$5,000
WALTON	6	\$3,055,000
WASHINGTON	2	\$671,000
Total:	1159	\$ 219,879,603